

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2024

To clarify the tax treatment of intermodal containers.

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IN THE HOUSE OF REPRESENTATIVES

MAY 6, 1993

Mr. MATSUI (for himself and Mr. THOMAS of California) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To clarify the tax treatment of intermodal containers.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. TREATMENT OF CERTAIN CARGO CONTAINERS.**

4       (a) GENERAL RULE.—A qualified intermodal cargo  
5       container shall be treated as property described in section  
6       48(a)(2)(B)(v) of the Internal Revenue Code of 1986 (as  
7       in effect on the day before the date of enactment of the  
8       Revenue Reconciliation Act of 1990).

9       (b) QUALIFIED INTERMODAL CARGO CONTAINER.—

10       (1) GENERAL RULE.—For purposes of this sec-  
11       tion, the term “qualified intermodal cargo con-  
12       tainer” means any intermodal cargo container of a

1 United States person which, after being placed in  
2 service, at all times during the taxable year either—

3 (A) is subject to a qualifying lease, or

4 (B) is being—

5 (i) held for lease,

6 (ii) moved for purposes of leasing or  
7 being available for lease, or

8 (iii) maintained or repaired for subse-  
9 quent lease,

10 by the taxpayer, a lessee or agent of the tax-  
11 payer or any other person.

12 (2) DEFINITIONS.—For purposes of this sub-  
13 section—

14 (A) QUALIFYING LEASE.—The term  
15 “qualifying lease” means—

16 (i) any lease to a container user that  
17 has one or more trade routes that contact  
18 the United States, or

19 (ii) any short-term lease to a con-  
20 tainer user.

21 (B) CONTAINER USER.—The term “con-  
22 tainer user” means—

23 (i) a person that is in the business of  
24 using intermodal cargo containers to ship  
25 or transport cargo for other persons, or

1           (ii) with respect to an intermodal  
2           cargo container, a person that uses the  
3           container to ship or transport its own  
4           cargo.

5           (C) U.S. TRADE ROUTES.—A container  
6           user shall be deemed to have one or more trade  
7           routes that contact the United States if at any  
8           time during the taxable year such person—

9                   (i) owns, operates, or charters any  
10           vessel that receives or delivers any inter-  
11           modal cargo container in the United  
12           States, or

13                   (ii) uses any intermodal cargo con-  
14           tainer to ship cargo to or from the United  
15           States.

16           (D) SHORT-TERM LEASE.—The term  
17           “short-term lease” means—

18                   (i) any lease the stated term of which  
19           is not more than 50 percent of the class  
20           life (within the meaning of section  
21           168(i)(1) of the Internal Revenue Code of  
22           1986) of the container, and

23                   (ii) any lease under a lease agreement  
24           under which the lessee is not required to

1 use or hold the container for a specified  
2 term.

3 (E) LEASE.—The term “lease” means  
4 lease or sublease.

5 **SEC. 2. NO INFERENCE.**

6 No inference shall be drawn from this Act as to the  
7 application of section 48(a)(2)(B)(v) of the Internal Reve-  
8 nue Code of 1986 (as in effect on the day before the date  
9 of enactment of the Revenue Reconciliation Act of 1990)  
10 or section 168(g)(4)(E) of the Internal Revenue Code of  
11 1986 to containers that are not qualified intermodal cargo  
12 containers or to containers placed in service after Decem-  
13 ber 31, 1989.

14 **SEC. 3. REVOCATION OF PRIOR ELECTION.**

15 (a) GENERAL RULE.—Any election made under In-  
16 ternal Revenue Service Revenue Procedure 90–10 prior to  
17 the date of enactment of this Act may be revoked without  
18 the consent of the Secretary of the Treasury or his dele-  
19 gate. An election revoked under this section shall be treat-  
20 ed as never having been made.

21 (b) TIME AND MANNER OF REVOCATION.—Any rev-  
22 ocation under subsection (a) shall be made within 180  
23 days after the date of enactment of this Act by filing with  
24 the Secretary of the Treasury or his delegate—

1           (1) a statement describing the election being re-  
2       voked and indicating that the election is revoked,  
3       and

4           (2) an amended return consistent with such  
5       revocation.

6   **SEC. 4. EFFECTIVE DATE.**

7       (a) GENERAL RULE.—Section 1 shall apply to all  
8       intermodal cargo containers placed in service before Janu-  
9       ary 1, 1990.

10      (b) REVOCATION OF ELECTION.—Section 3 shall  
11     take effect on the date of the enactment of this Act.

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